

Security Information

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GOVERNMENT-WIDE SURVEY OF ECONOMIC RESEARCH PROGRAMS ON THE SOVIET ORBIT

General Background

One of the most critical deficiencies of the intelligence community and, indeed, of the entire United States Government, is the lack of any comprehensive understanding of the pattern of all the Government research programs in the field of foreign economic intelligence. The need for a review of these programs and an evaluation of their rationale has been recognized repeatedly by the National Security Council. In outlining CIA's responsibilities in this field (NSCID 15) the NSC directs CIA to:

"Maintain a continuing review of the requirements of the United States Government for foreign economic intelligence relating to the national security, and of the facilities and arrangements available to meet those requirements, making from time to time such recommendations to the National Security Council concerning improvements as may require National Security Council action."

In establishing the Economic Intelligence Committee the entire intelligence community underlined the NSC concern with this problem by directing the EIC, through its terms of reference, to:

"Examine continuing programs of fundamental economic research relating to the national security throughout the United States Government and recommend to the IAC for appropriate action allocation of responsibility for specific fields of inquiry where such allocation appears appropriate."

Accordingly, the EIC in its meeting of 16 August 1951 (EIC-M-4) agreed that the EIC Secretariat, should initiate a Government-wide survey of economic research programs on the Soviet Bloc.

Abortive attempts by the secretariat to prepare surveys on agriculture and international finance established the necessity for a careful survey of research activities by competent professionals in their respective technical fields. For this reason the EIC Subcommittees have been charged with surveying special segments of the Economic Intelligence research effort. In order to assist in this process the secretariat has prepared the attached model form as a guide.

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The principal purpose of these surveys is to highlight major gaps and other critical economic intelligence problems to which the EIC should devote its attention either through existing subcommittees, through the establishment of new subcommittees, or through ad hoc groups composed of representatives from those agencies most familiar with the particular problem. It is assumed that the central criterion for identifying "critical" intelligence requirements is the end-use. This criterion involves an examination of the extent to which the intelligence product could ultimately have a bearing on actions or decisions of importance to US security. The importance of individual studies to certain end products of intelligence may, of course, be indirect in that there is a high degree of interdependence among various bits of intelligence and one bit often supports or is derived from others.

The myriad of requirements and the relatively limited intelligence facilities underlie the importance of confining these surveys to an investigation of only the most important deficiencies. At the same time the survey is designed to give the EIC a general idea of "who does what" and what their professional resources are for doing it. Undoubtedly other extra dividends will also emerge as the study progresses.

In providing the attached model form for these surveys the secretariat does not intend that the form be rigidly binding on the subcommittees. Rather it is to provide the minimum information essential for EIC action on the subcommittee's recommendations. The Secretary has already met with most of the subcommittees, outlining in general the form that the survey might take and soliciting suggestions from the subcommittee members. The attached form has incorporated many of these suggestions.

When the attached form is received by the subcommittees it is recommended that it be filled in by the personnel in the respective agencies who are professionally most knowledgeable in each of the subject fields. The identification of critical deficiencies involves a qualitative judgement factor which is not amenable to precise quantitative formulation. It is assumed that the specialists in each of the respective fields are best qualified to exercise this judgement. Efforts to attain any further degree of perfection will so complicate and delay the survey as to rob it of utility.

When the subcommittees have completed the survey they should present it to the EIC with recommendations for remedying only those deficiencies reported as critical.

Model Form for EIC Surveys of Economic Research Programs on the Soviet Orbit

SURVEY OF INTELLIGENCE DEFICIENCIES ON THE SUBJECT OF INTERNATIONAL FINANCE

SOVIET BLOC ^{1/}

I SAMPLE TOPICS	II STATE OF INTELLIGENCE	III CRITICAL DEFICIENCIES	IV END INTELLIGENCE USE	V NATURE OF THE CRITICAL DEFICIENCIES			
				Collection	Collation	Research	Presentation
I. Balance of Payments	Designate by "good", "fair", or "poor". If intelligence is non-existent this should be indicated.	Check those items marked poor in column II if the deficiency is of major importance to U.S. security. Also note the extent of the deficiency. Important qualifications re the time, geographical, and topical aspects of these deficiencies should be noted.	State the intended intelligence end use as precisely and graphically as possible. Since this survey is intended to elicit action the necessity for action and for the expenditure of intelligence resources must be clearly demonstrated.	Check those critical deficiencies which can be corrected through the collection of information.	Check those critical deficiencies which can be corrected through indexing, translation, etc. of available information.	Check those critical deficiencies which can be corrected through analytic research.	Check those critical deficiencies which can be corrected through issuance or distribution of research papers already completed.
II. Foreign Exchange-Availabilities & Dispositions							
III. Foreign Investments & Assets							
IV. Foreign Loans & Credits							
V. Official Exchange Rates							
a. Rates							
b. Exchange rate determination, multiplicity of rates							
c. Price determination in international trade							
VI. Exchange Controls							
VII. International Payments & Clearing Arrangements							
VIII. External Programs & Operations of the Gosbank							

1. USSR and its satellites.

2. Each agency representative should only mark those subjects on which he is competent to judge the state of intelligence. Do not, for example, mark "poor" unless you are in a position to know.

3. Among those items marked poor - or in a few cases those marked fair - note those which are critical deficiencies because of the importance of the intelligence to national security. The critical nature of the deficiency must be shown in the next column by listing the intended end use of the intelligence by the agency concerned.